



6351-01-P

COMMODITY FUTURES TRADING COMMISSION

Agency Information Collection Activities: Notice of Intent to Extend Collection 3038-0066:

Financial Resource Requirements for Derivatives Clearing Organizations

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice.

SUMMARY: The Commodity Futures Trading Commission (CFTC) is announcing an opportunity for public comment on the proposed extension of a collection of certain information by the agency. Under the Paperwork Reduction Act (PRA), Federal agencies are required to publish notice in the *Federal Register* concerning each proposed collection of information, including each proposed extension of an existing collection of information, and to allow 60 days for public comment. This notice solicits comments on certain financial resource reporting requirements applicable to derivatives clearing organizations.

DATES: Comments must be submitted on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: You may submit comments, identified by “OMB Control Number 3038-0066” by any of the following methods:

- The Agency’s web site, at <http://comments.cftc.gov/>. Follow the instructions for submitting comments through the web site.
- Mail: Christopher Kirkpatrick, Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW., Washington, DC 20581.
- Hand Delivery/Courier: Same as Mail above.

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments through the Portal.

Please submit your comments using only one method. All comments must be submitted in English or, if not, accompanied by an English translation. Comments will be posted as received to <http://www.cftc.gov>.

FOR FURTHER INFORMATION CONTACT: Jocelyn Partridge, Special Counsel, Division of Clearing and Risk, (202) 418-5926, email: jpartridge@cftc.gov.

SUPPLEMENTARY INFORMATION: Under the PRA, Federal agencies must obtain approval from the Office of Management and Budget (OMB) for each collection of information they conduct or sponsor. “Collection of Information” is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3 and includes agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. Section 3506(c)(2)(A) of the PRA, 44 U.S.C. 3506(c)(2)(A), requires a Federal agency to provide a 60-day notice in the *Federal Register* concerning each proposed collection of information, including each proposed extension of an existing collection of information, before submitting the collection to OMB for approval. To comply with this requirement, the Commission is publishing notice of the proposed extension of the collection of information listed below.

Title: Financial Resource Requirements for Derivatives Clearing Organizations (OMB Control No. 3038-0066). This is a request for an extension of a currently approved information collection.

Abstract: This collection of information involves the financial resource reporting requirements set forth in section 39.11 of the Commission's regulations.

Section 5b(c)(2) of the Commodity Exchange Act (CEA or Act)¹ sets forth certain core principles with which a derivatives clearing organization (DCO) must comply in order to become registered with the Commission and to maintain such registration. One of these core principles, core principle B, sets forth the financial resource requirements applicable to DCOs. Section 5b(c)(2) also requires DCOs to comply with the regulations promulgated by the Commission pursuant to section 8a(5) of the Act.² Section 39.11 of the Commission's regulations, which implements core principle B, includes the financial resource reporting requirements that are the subject of this information collection. The information collection is necessary for, and would be used by, the Commission to evaluate a DCO's compliance with the financial resource requirements for DCOs prescribed in the Commodity Exchange Act, including core principle B, and the Commission's regulations.

With respect to the collection of information, the CFTC invites comments on:

- Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have a practical use;
- The accuracy of the Commission's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Ways to enhance the quality, usefulness, and clarity of the information to be collected; and

¹ 7 U.S.C. 7a-1(c)(2).

² Section 8a(5) of the CEA authorizes the Commission to promulgate such rules and regulations as, in the judgment of the Commission, are reasonably necessary to effectuate any of the provisions or to accomplish any of the purposes of the CEA. 7 U.S.C. 12a(5).

- Ways to minimize the burden of collection of information on those who are to respond, including through the use of appropriate automated electronic, mechanical, or other technological collection techniques or other forms of information technology; e.g., permitting electronic submission of responses.

You should submit only information that you wish to make available publicly. If you wish the Commission to consider information that you believe is exempt from disclosure under the Freedom of Information Act, a petition for confidential treatment of the exempt information may be submitted according to the procedures established in section 145.9 of the Commission's regulations.³ The Commission reserves the right, but shall have no obligation, to review, pre-screen, filter, redact, refuse or remove any or all of your submission from <http://www.cftc.gov> that it may deem to be inappropriate for publication, such as obscene language. All submissions that have been redacted or removed that contain comments on the merits of the information collection requirement will be retained in the public comment file and will be considered as required under the Administrative Procedure Act and other applicable laws, and may be accessible under the Freedom of Information Act.

Burden Statement: As noted above, this information collection renewal involves the requirement that a DCO that is registered with the Commission report certain information regarding its financial resources, the value thereof, and the basis for these calculations that is necessary for the Commission to assess the DCO's compliance with the financial resource requirements of the CEA and the Commission's regulations. The reporting requirements are contained in section 39.11 of the Commission's regulations. The Commission has revised its estimate of the total annual burden hours for this collection to account for an increase in the

³ 17 CFR 145.9.

number of respondents (from 14 to 17), but has maintained the original burden hour estimate of 10 hours per quarterly report as the reporting requirements have remain unchanged.

The respondent burden for this collection is estimated to be as follows:

Estimated Annual Number of Respondents: 17.

Estimated Annual Number of Reports per Respondent: 4.

Estimated Total Annual Number of Responses: 68.

Estimated Average Number of Hours per Response: 10.

Estimated Average Annual Burden Hours per Respondent: 40.

Estimated Total Annual Burden Hours: 680 hours.

Frequency of collection: Quarterly and on occasion.

Type of Respondents: derivatives clearing organizations.

There are no capital or start-up costs associated with this information collection, nor are there any operating or maintenance costs associated with this information collection.

(Authority 44 U.S.C. 3501 *et seq.*)

Dated: November 29, 2017.

Robert N. Sidman,

Deputy Secretary of the Commission.

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